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COMPUTER
# decisions
MARCH 11, 1986
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A HAYDEN PUBLICATION

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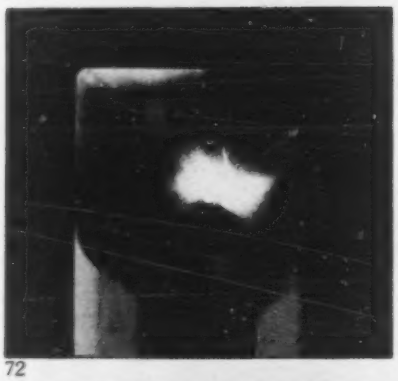

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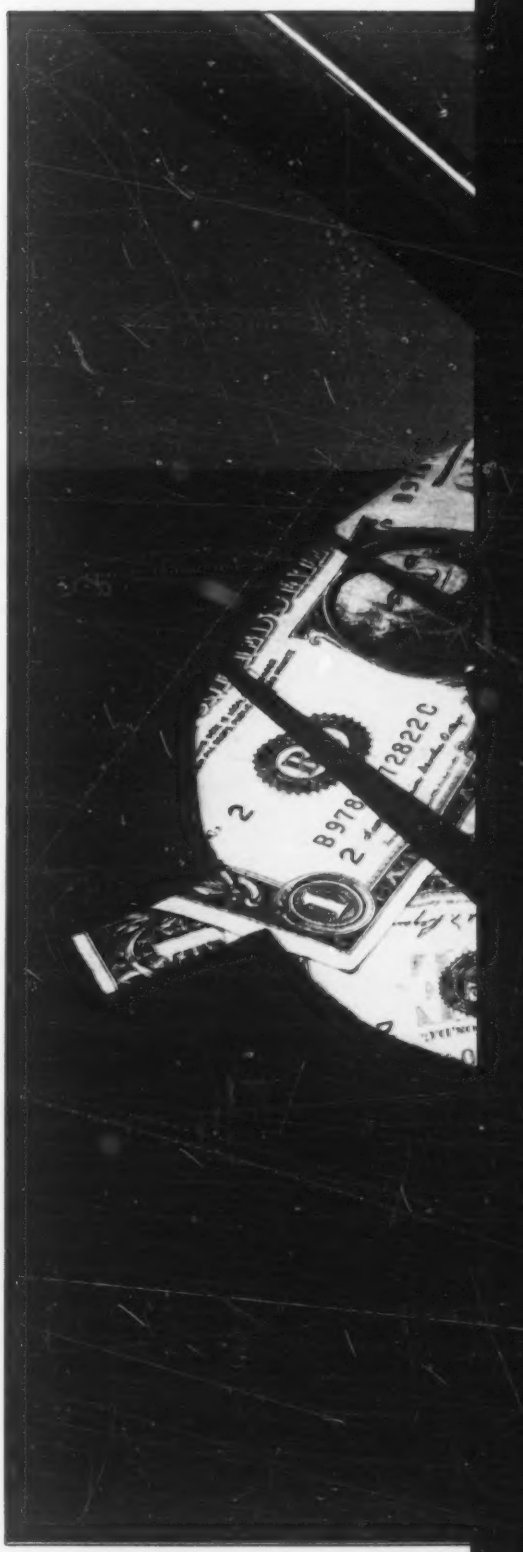
# MIS/DP BITES THE BENEFITS BULLET

*Part I: Salary increases for MIS/dp managers last year were higher than the inflation rate, but many saw their benefits shrink.*

by David Roman, Associate Editor



The salaries of senior MIS/dp managers and executives increased at a steady pace last year, but almost a quarter of the managers questioned in *Computer Decisions'* seventh annual Salary Status Survey reported their benefits packages were cut back.

Medical coverage was the most common target for benefits cost-cutting. Many employers are taking the scalpel to health-care costs, which have been climbing at double-digit annual rates. For example, before cost-cutting measures were invoked last year, the medical premiums of Equitable Life Assurance Society, New York, had been increasing by 14 percent annually, according to a member of the carrier's employee benefits staff. "Employers realize that benefits aren't strong contributors to employee satisfaction," says James Carey, president of Carey Associates Inc., a human resources consultancy in San Mateo, CA. The strongest motivator is money, and employers aren't cutting back on wages.

Last year's average 6.5 percent wage increase brought the median salary for all MIS/dp managers to $40,781, according to the survey, which was conducted by Abbott, Langer & Associates. The median salary for top MIS/IS officers increased 8 percent, to $48,771. The median salary for top MIS/dp officers went up 6.5 percent, to $41,741. Last year's rate of salary increase kept pace with the 6.4 percent increase reported in 1984. It also exceeded the yearly rise in the Consumer Price Index, which the U.S. Bureau of Labor Statistics es-

*(Continued on page 64)*

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timates will be about 3.3 percent.

More than 1,300 MIS/dp managers responded to the survey. The typical respondent was 40.5 years old and had 12.8 years of dp experience. Women accounted for 12 percent of the respondents.

Managers of large dp budgets naturally receive higher salaries than managers of smaller budgets. A top MIS/dp officer overseeing a $100,000 annual budget typically earned $28,100 last year; a top MIS/dp officer handling a budget of $10 million or more made almost twice that, or $55,880.

Another obvious factor affecting compensation is an organization's size. A top dp manager in a corporation with fewer than 100 employees made $35,000 last year, while a top dp manager in a corporation with 10,000 to 24,999 employees earned $55,438. Curiously, the median salary for top dp managers stood at $36,000 last year, the same median reported for 1984. The lack of movement may be attributable to differences between respondents in the two surveys. In 1984, 29 percent of the top dp managers surveyed handled dp budgets greater than $1 million. In last year's survey, only 22 percent reported managing budgets greater than $1 million.

It's no surprise that staff size affects compensation rates. Top MIS/dp officers with little or no supervisory responsibility made less than half the median salary for that group last year. Survey data also indicate that the *kind* of staff managed can strongly affect salary level. For example, among top MIS/dp officers who supervise five to nine employees, the median salary for those who exclusively manage technical staffers was 12 percent higher than the median for those who manage a mix of technical and nontechnical workers. A top MIS/dp officer who supervises a staff of 25 or more technical employees made 38 percent more than the overseer of a mixed staff.

The type of organization an MIS/dp manager works for also influences how much he or she makes, according to the survey. MIS/dp managers working for educational institutions and government agencies traditionally earn less than the median salary. Banks, utilities, and manufacturers generally pay the highest salaries.

More MIS/dp managers reported greater job contentment in 1985 than in 1984; almost twice as many selected the highest possible measure of contentment. But 47 percent of the respondents indicated an interest in

(Continued on page 69)

## REGIONAL SALARIES

Chart by Denise Barbieri

**Overall median salaries**

| Top MIS/IS Officer: | Top MIS/dp Officer: | Top dp manager: |
|---|---|---|
| $48,771 | $41,741 | $36,000 |

## SALARIES BY INDUSTRY

| | Top MIS/IS officer | Top MIS/dp officer | Top dp manager |
|---|---|---|---|
| All manufacturing, processing, extractive | $52,000 | $43,000 | $35,360 |
| All nonmanufacturing | $48,371 | $40,185 | $36,377 |
| Banking/financial | N/A | $47,300 | $36,980 |
| Chemical/plastic/pharmaceutical mfg. | N/A | $42,500 | $39,000 |
| Education | $44,275 | $37,759 | $35,500 |
| Food/beverage/tobacco mfg. | N/A | $47,000 | $40,000 |
| Government | $40,926 | $38,188 | $37,862 |
| Health services | N/A | $38,500 | $33,687 |
| Merchandising | N/A | $40,000 | $35,000 |
| Utilities | N/A | $50,848 | $50,500 |

*All salaries are median salaries.*

(Continued from page 64)

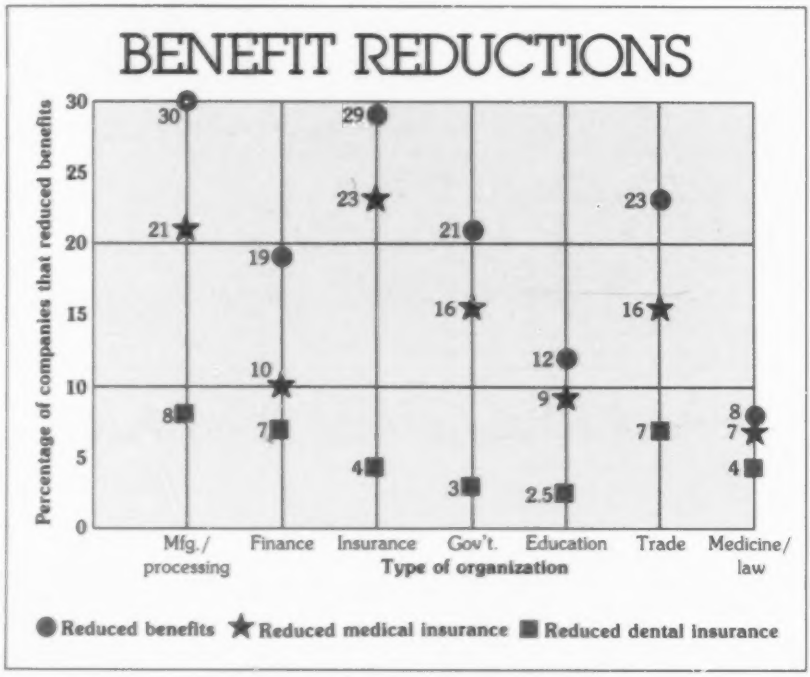
moving out of MIS/dp, a 10 percent increase over the 1984 figure.

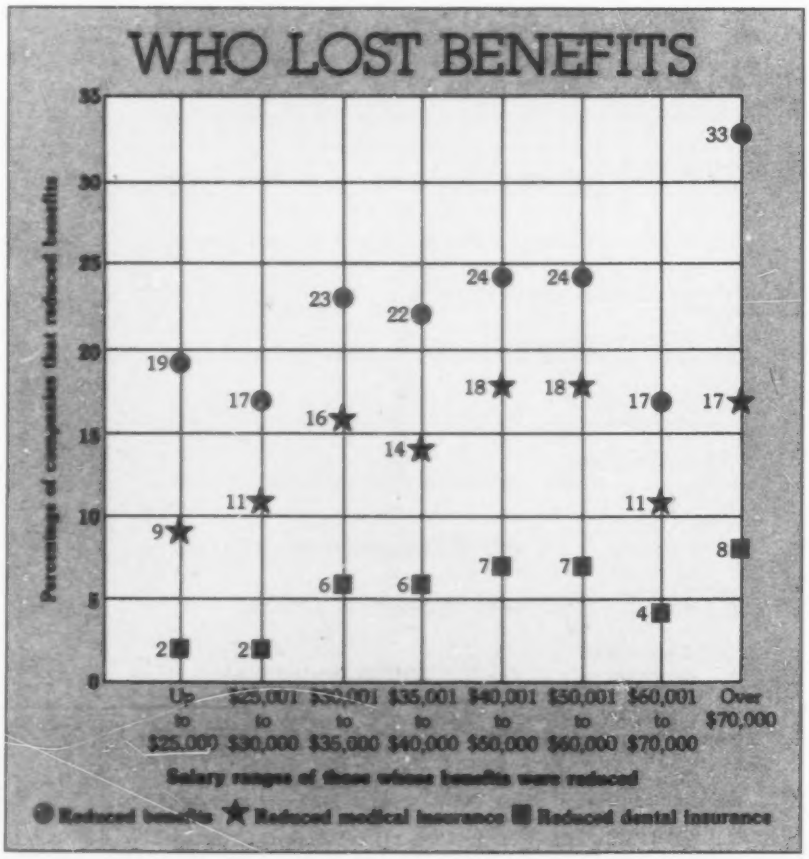
If MIS/dp managers are more content, why the urge to move? The answer may lie in the respondents' belief that they have fewer opportunities to advance within their corporations than do other managers in positions of comparable importance. The MIS/dp managers surveyed believe they have less clout in their organizations than other managers. When asked what would motivate them to move to general management, most MIS/dp managers answered challenge or opportunity rather than money.

"MIS managers believe they could help their organizations more if they had more responsibility," says Mark Blessing, director of the Compusearch division of Management Recruiters International, a Cleveland recruitment agency. "They've become expert students of their organizations' business, and in many cases have made the difference between their organizations' writing red ink or black ink. They've proven their ability to get results, and now they want more pull."

Like most dp-ers, dp managers love the challenge of their profession, and will change jobs, or employers, to find it. Few profess absolute loyalty to their present employers. Ninety percent of the respondents surveyed said they would change employers if they had the opportunity to earn more money, gain a big bonus, or tackle a new challenge. Of 14 reasons offered for changing employers, improved benefits ranked only 11th.

Some experts contend that most changes in benefits programs should not be called "reductions." Christine Seltz, a consultant with Hewitt Associates, an employee-benefits and compensation consultancy based in Lincolnshire, IL, argues that benefits are not being withdrawn, they're being "managed better." In most cases, employees are given some responsibility to pay or manage their own medical expenses. "The deductible is raised, or if there wasn't a deductible before, one is added," she says. Employees are being encouraged to use outpatient services and facilities when hospi-



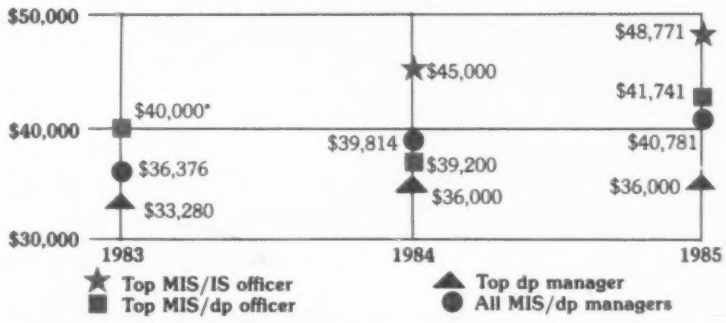
## CITY SALARIES

| | Detroit | New York | Chicago | Boston | Washington |
|---|---|---|---|---|---|
| Top MIS/dp officer | $45,500 | $48,990 | $44,294 | $45,500 | $45,340 |
| Top dp manager | N/A | N/A | $40,429 | $35,000 | $45,520 |

| | Seattle | Atlanta | Indianapolis | Los Angeles |
|---|---|---|---|---|
| Top MIS/dp officer | $44,100 | $43,197 | $39,400 | $47,000 |
| Top dp manager | $42,000 | $40,000 | $38,000 | $40,680 |

Chart by Denise Barbieri

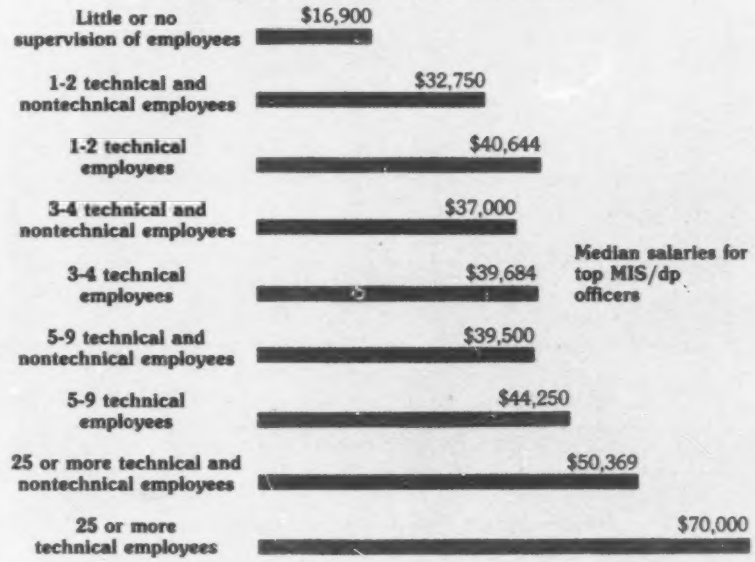
## SALARIES OVER 3 YEARS




*Salary data for top MIS/IS officers were not gathered before 1984. This may have inflated the 1983 median salary for the top MIS/dp officer.*

## TECHNICAL EDGE

**Managers of technical employees earn more**




tal stays aren't necessary. "The big automakers used to spend more for employee health-care plans than on the steel they used to make cars," she says. "Organizations had to make an effort to control those costs."

No other portion of a benefits package costs as much as medical care, and no other portions are likely candidates for cutting, says James Carey. "Companies aren't reducing their retirement programs, life insurance, or the amount of vacation time or holidays they offer," he says. Dental programs are often a part of the medical coverage, and are frequently cut back with them.

Carey says an organization that reduces one aspect of its benefits program may also simultaneously introduce less costly improvements in other programs. For example, when the County of Los Angeles reduced holidays by one, paid sick days by two, and began to require workers to pay part of their own medical coverage, it began offering employees a 401(k) deferred compensation program in an attempt to offset anticipated employee dissatisfaction.

Although she likes the new 401(k) program, Marian Solomon, information systems director for the county, says it may not be enough to keep employees on staff. Morale is awful, and turnover is high, she says. The reason? "We didn't get a raise in 1984, and we may not get one in 1986." □

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Computer Decisions' *Salary-Status Survey, conducted by Abbott, Langer & Associates, was mailed to 30,178 managers randomly selected from the magazine's subscription list. An additional 2,765 surveys were mailed to participants in previous surveys and purchasers of previous final survey reports. A two-part questionnaire was mailed. Reported results are based on the 1,311 personal questionnaires and the 1,041 staff-compensation questionnaires that were returned.*

*Complete results of the survey, published as "Compensation in the MIS/dp Field, 3rd Edition," are available for $250 from Abbott, Langer & Associates, 548 First St., Crete, IL 60417 (312) 672-4200.*